

**Sustainable Gallup Board Meeting Agenda
Monday, May 1, 2023, 3:30-5 PM**

NOTE: We are being hosted on Gallup Solar's Conference Call

Dial-in number (US): (551) 241-6424

Online meeting ID: gallupsolar

Or click to join the online meeting: <https://join.freeconferencecall.com/gallupsolar>

"The role of the SGB shall be that of advising the city council on policy matters relative to energy, water and recycling issues..."

Agenda: (Note: meeting is being recorded for person(s) taking minutes)

- 1) Reading of SGB role & board member quorum confirmation (Tracy)
- 2) Moment of silence & introduction of city staff, & guests (Bill)
- 3) Agenda approval (Bill) (ACTION ITEM) Roll call
- 4) Previous Minutes approval (Tracy, Eliz) (ACTION ITEM) Roll call
- 5) Brief history of SGB with city councilors, staff or added citizens (if present) (Bill)
- 6) COG update on fed/state environmental bills that may benefit Gallup (Angelina Grey)
- 7) Citizen conservation efforts (Pat) See article below:
- 8) Gallup Solar report on Solar Park tracking issues (Bill) See article below:
- 9) Recycling update (Gerald)

Announcements, future meetings, planning & adjournment.

**"Gallup and NM Environment Department
compromise on water safety standards instead of legal
fight**

City can skip state testing requirements under certain stipulations



The Rio Puerco in Gallup in December 2022. (Photo by Megan Gleason / Source NM)

By Megan Gleason

Testing measures are changing for how Gallup dumps treated wastewater into the Rio Puerco.

The city's agreement with the New Mexico Environmental Department to dump up to 1.25 million gallons of wastewater every day into the local tributary was altered to eliminate certain water tests if Gallup meets chemical standards. It also requires the city to cap three wastewater wells and build a new one to meet groundwater monitoring guidelines.

The settlement between Gallup and the state's environmental department was unanimously approved Tuesday by the New Mexico Water Quality Control Commission and helps avoid a contentious legal battle.

[Read more](#)⁵.

"Revenue And Expenditure Adjustment

The Electric Department is requesting a budget adjustment of \$3,240,000 to cover the power purchase cost to the end of this fiscal year. The Electric Department has had several different issues this fiscal year with Continental Divide/Tri-State, PNM and Gallup Solar.

For the issue related to CDEC/Tri-State they have been overscheduling the City and not considering the new WAPA Groundwater contract that was approved back in April of 2022. This overscheduling has caused us to purchase power at a much higher cost. This issue has been addressed and corrected as of February of 2023. Preliminary calculations indicate that a refund of \$738,750 is owed to Gallup.

The issues we have had with PNM were overcharges due to errors in the Energy Imbalance calculation process. Our WAPA energy schedules were not being reflected in the accounting for generation resources that were supplying energy to serve Gallup Load. The "short" schedules produced an incorrect deficit of energy which PNM supplied from the California ISO Western Energy Imbalance Market (WEIM) and charged Gallup for that energy at a time when market prices were very high. The error has been corrected and we have already received a reimbursement payment from PNM in the amount of \$1,088,852.37.

Lastly, unreliable forecasting data and solar performance has been a contributor to this account's shortfall. Daily data for hourly metered load is required for producing the forecasts but has only been available since October 2022. The Summer forecasts were being done using only historical data which has caused very volatile energy imbalance charges on our NITS invoices due to the inaccurate data. After October we have been able to forecast Gallup's load correctly and have seen much less extremes in the load imbalances. In addition to this Gallup and Enchantment Energy have worked closely with Standard Solar and have been given access to the hourly production data which also assists us with even more accurate forecasting. 90% of solar panels have also been corrected since a couple months ago after numerous talks between Gallup, Enchantment Energy and Standard Solar. With the new maintenance program in place, generation production has become more reliable and predictable.

We also want to recognize a revenue adjustment which was not budgeted for in this fiscal year in the amount of \$1,887,215. This includes the reimbursed payment from PNM and the supplemented payment from Guzman Energy. Our electric revenue is also also higher than originally projected and I am requesting an increase of \$2,000,000 to reflect current expectations. With this revenue adjustment we can recalculate our days cash on hand and stay above the required 180 days.

Fiscal Impact:

Revenue Adjustment in the amount of \$3,887,215 into fund 507. Budget Adjustment for \$3,240,000 into account 507-6061-442.47-10 Purchase for Resale.

Recommendation:

Approval of the above mentioned revenue and expenditure adjustments.

Speaker's Name

Chuck Nourse